



TETRA TECH, INC.

July 21, 2004

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
PO Box 615
211 Sower Blvd.
Frankfort KY 40602-0615

RECEIVED

JUL 28 2004

PUBLIC SERVICE
COMMISSION

RE: Application for Certificate of Public Convenience
And Necessity
Martin County Water District

Case 2004-00292

Dear Ms. O'Donnell:

On behalf of the Martin County Water District, please find enclosed the original and ten copies of the District's Application for a Certificate of Public Convenience and Necessity to Construct Improvement Projects.

The District is proposing to extend water lines in various areas of the county, renovate an existing pump station, replace/repair control valves in various areas, and begin a meter replacement program. All of these activities will be paid for with grant funds from the state's 502 and Coal Development program authorized by previous General Assembly sessions. There will be no change in rates required because of this project.

Should you or your staff have any questions, you may address them to the Chairman of the District, Mr. Greg Scott, at 606.298.3885 or me at 859.223.8000.

Sincerely,

Tetra Tech, Inc.

Holly L. Nicholas
Project Developer

Enclosures

C: Greg Scott, Chairman, MCWD
Kennis Maynard, Martin County Attorney
Robert E. Taylor, Jr., Project Manager, Tetra Tech, Inc.

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COMMONWEALTH OF KENTUCKY

JUL 21 2004

BEFORE THE PUBLIC SERVICE COMMISSION

JUL 22 2004

PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MARTIN COUNTY WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO CONSTRUCT) CASE NO. 2004-00292
IMPROVEMENT PROJECTS PURSUANT TO KRS)
278.020)

APPLICATION

The Martin County Water District (the "District"), by counsel, pursuant to KRS 278.020, petitions the Commission for a certificate of public convenience and necessity to construct waterworks improvement projects. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is HC 69, Box 875, Inez, Kentucky 41224-9406. Its principal officers are:

- Greg Scott, Chairman
- Brian Cumbo
- Norman Vogeler

2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;

3. A description of the District's water system and its property stated at original cost by accounts is contained in its 2001 Annual Report. All required normal financial schedules and other data are in the 2001 Annual Report. This is the latest Annual Report on file with the Commission. The District requests a deviation from the requirement that the most recent fiscal year report be used. The District is working towards the completion of the 2002 and 2003 Annual Reports.

4. The water system improvements projects consist of:

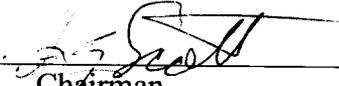
- Contract No. 12 - the construction of water mains in various parts of Martin County,
- Contract No. 14 - improvements to the Meathouse pump station, and
- Contract No. 15 - replacement of valves in various locations throughout the system

5. The total project cost is approximately \$1,792,873 as set forth in the final project budget (see Exhibit "A" attached hereto);

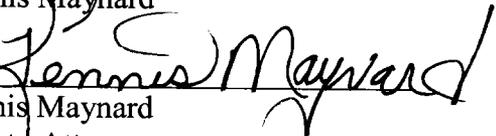
6. The District has obtained all easements and rights of way required for the project;
7. This service will not compete with any other utility in the area;
8. Based on these facts, the District believes that it is in the public interest that this certificate of public convenience and necessity be granted;
9. Copies of the preliminary engineering and final engineering reports, which contains project maps and certified bid tabulations are attached as **Exhibit "B"**;
10. The following information is provided in response to 807 KAR 5:001 Section (8)(3);
 - a. Articles of Incorporation – None, the District is a statutorily created water district under KRS Chapter 74;
11. The following information is supplied to 807 KAR 5:001 Section (9)(2);
 - a. Facts relied upon to show that the project is in the public interest: The residents of the area to be served presently rely on groundwater of questionable quality for their water supply. This project will provide water service to approximately 213 residents in Martin County.
 - b. No new franchises are required. Copies of the necessary permits are attached hereto as **"Exhibit "C"**;
 - c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications on file with the Commission;
 - d. Three (3) maps of suitable scale showing the location of the proposed facilities are filed with this Application;
 - e. The construction costs will be funded by 502 and Coal Development funds. The District is not borrowing any funds in connection with the project;
 - f. The estimated cost of operation of the system after construction is completed is attached hereto as **"Exhibit D"**.

WHEREFORE, the Applicant, Martin County Water District requests that the Public Service Commission of Kentucky grant to the Applicant a Certificate of Public Convenience and Necessity permitting the Applicant to construct the Water System Expansion Project.

Martin County Water District

By: 
Chairman

Kennis Maynard

By: 

Kennis Maynard
County Attorney
PO Box 414
Inez, KY41224



**Martin County Water District
Water Line Extensions and System Improvements**

<u>Activity</u>	<u>Cost</u>
Construction	
Contract No. 12	\$ 1,054,386.21
Contract No. 14	\$ 67,000.00
Contract No. 15	\$ 79,130.00
Meter Replacements ¹	\$ 248,382.79
Contingency	\$ 69,274.00
Engineering Design & Inspection	\$ 248,900.00
BSADD - Administration	<u>\$ 25,800.00</u>
TOTAL:	\$ 1,792,873.00
 REVENUE	
502 Funds	\$ 289,550.00
Coal Development Funds	<u>\$ 1,503,323.00</u>
	\$ 1,792,873.00

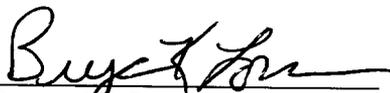
¹ Meter Replacement being done by District Personnel



**Preliminary Engineering Report
Martin County Water District
Water System Expansion
May 2004**

**Tetra Tech, Inc.
800 Corporate Drive
Lexington, Kentucky 40503
859.223.8000**

Submitted By:


**Bryan K. Lovan, P.E.
Project Engineer**



Preliminary Engineering Report

Martin County Water District

Project Planning Area

Martin County encompasses 231 square miles. The territory of the Martin County Water District is the entire county. This project will extend water lines in various areas of Martin County. These areas are shown on map #1 at the end of this report. The terrain of this area is mountainous with the majority of potential customers located along the roadways. A number of other improvements are proposed. These improvements include the construction of a pump station in the Meathouse area, replacement of valves in various locations, and large scale replacement of residential and commercial meters.

The predominate land uses in the project area are residential, mining, and forest. There are no 100 year floodplains present in the area. A small number of stream crossings will be required. No historic sites have been identified. The Kentucky Heritage Council determined that an archaeological survey was not required for the project areas. There are no identified threatened or endangered species in the project areas.

Martin County experienced a decrease in population from 1980 to 1990 and a less than 1 percent increase from 1990 to 2000. The Kentucky State Data Center projects a decrease in population over the next 20 years. The 2000 population according to the U.S. Census was 12,578 which was a slight increase over the 1990 Census of 12,546. The State Data Center projects a year 2030 population of 11,211.

Existing Facilities

The Martin County Water District is the result of the merger of the Martin County Water District No. 1 and Martin County Water District #2. This merger occurred in August 1996. Map #2 at the end of this report shows the location of existing water mains for the District along with existing storage tanks.

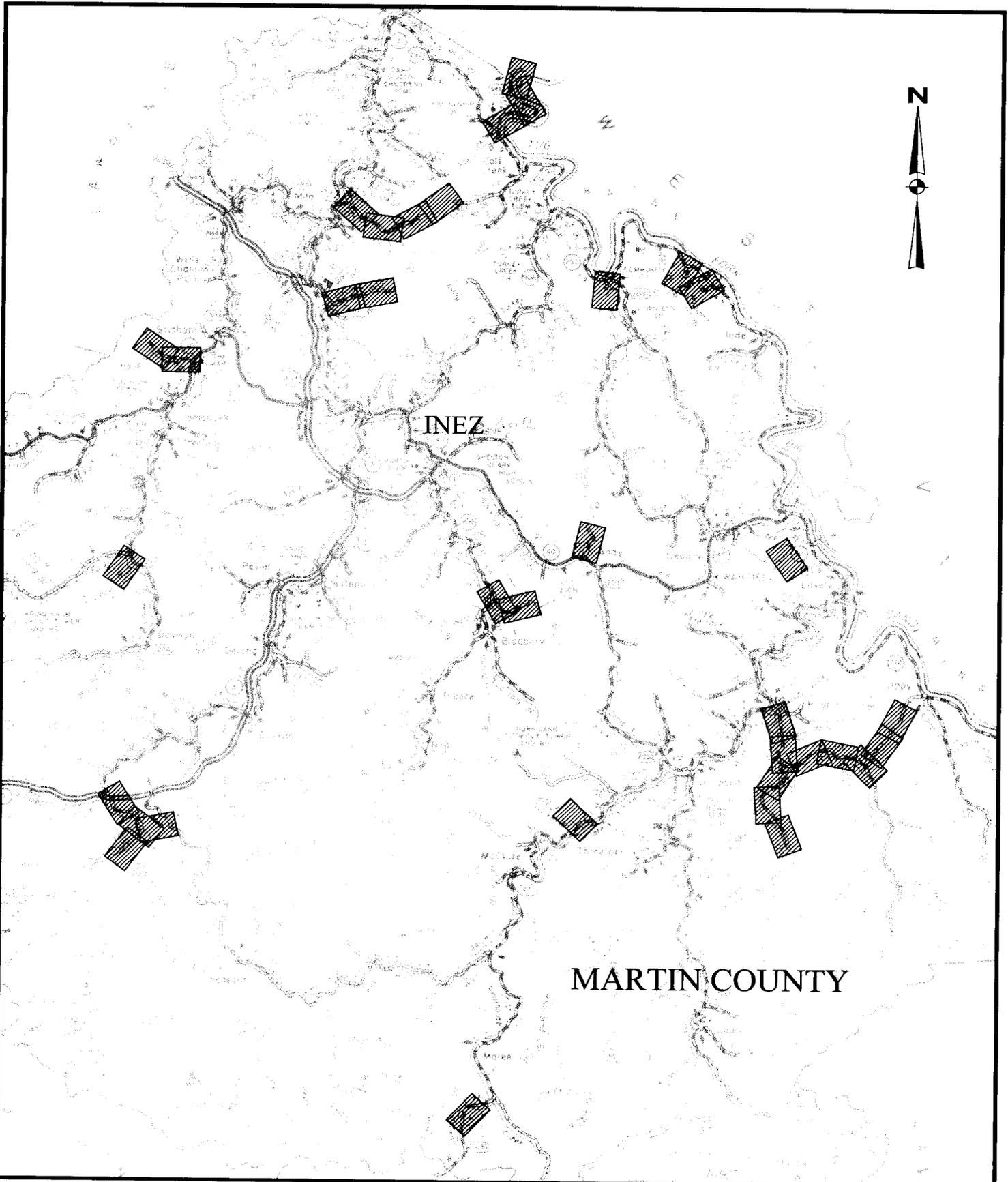
The Martin County Water District No. 1 was constructed in the late 1960's with a grant and loan from the Economic Development Administration. Major expansion/renovation of the raw water system and water treatment plant was undertaken in 1986 and 1996

The water treatment plant was expanded/renovated in 1986. The system is in fair condition and has a design capacity of 2.0 MGD. The source of supply is primarily the Crum Reservoir which is augmented by water from the Tug Fork River. The District has a total storage capacity of 2,000,000 gallons. This capacity is a little more than the District's daily usage and should be sufficient with these line extensions. The District currently has approximately 130 miles of water main ranging from 2" to 12".

Need for Project

Residents in the proposed project areas are unserved by a public water supply or do not have access to the supply due to line limitations. The majority of potential customers is forced to rely on degraded ground and surface sources for drinking water, or must haul water from other sources to their homes.

P:\2003\03005 Martin Co. Waterline Extensions\Drawings\Contract-12\FundingMap.dwg Jul 21, 2004 - 2:35pm By:



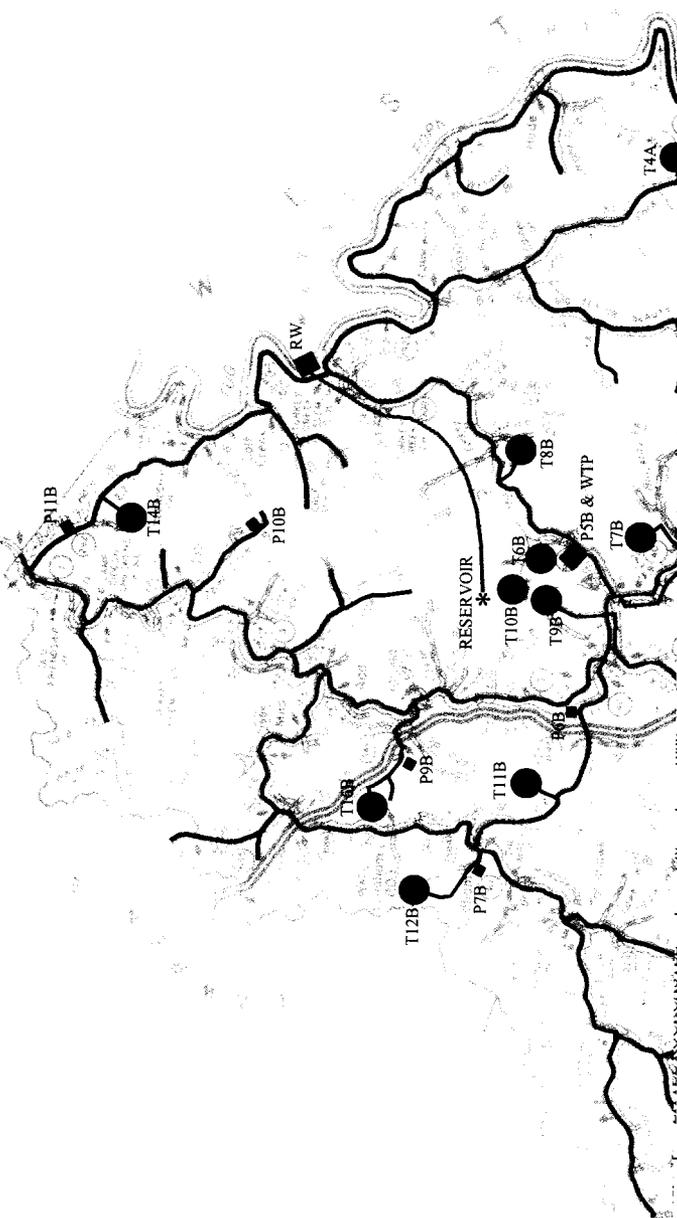
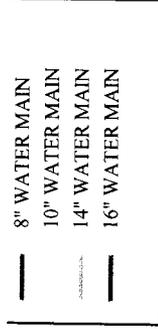
TETRA TECH, INC.

800 Corporate Dr. Lexington, Kentucky 40503 (606) 223-8000

MARTIN COUNTY WATER DISTRICT
WATER LINE EXTENSIONS AND
SYSTEM IMPROVEMENTS
NOT TO SCALE



MCWD
MARTIN COUNTY WATER DISTRICT



NO.	NAME	GPM	ELEV.
P4A	KY 292 SOUTH	130	680
P5B	TURKEY	90	-
P6B	KY 40 W	420	630
P7B	CALLOWAY	90	650
P8B	MIDDLE FORK	245	650
P9B	KY 645	90	680
P10B	PETER CAVE	130	700
P11B	BUFFALO HORN	60	800
P12B	DAVELLA ROAD	350	700

OTHER STATIONS			
NO.	NAME	GPM	ELEV.
RW	RAW WATER INTAKE	1400	580
WTP	WATER PLANT	-	620

T3A	292 SOUTH	100	1113
T4A	BIG ELK	100	1080
T5A	WOLF CREEK	100	819
T6B	CLEARWELL	300	866
T7B	COLDWATER	150	853
T8B	TURKEY	50	983
T9B	INEZ	500	860
T10B	INEZ	150	860
T11B	KY 40 W	200	1171
T12B	CALLOWAY	100	1164
T13B	MIDDLE FORK	260	942
T14B	BUFFALO HORN	50	950
T15B	BIGF SANDY AIRPORT	1040	1360
T16B	KY 645	-	-



MCWD
MARTIN COUNTY WATER DISTRICT

WATER SYSTEM MAP



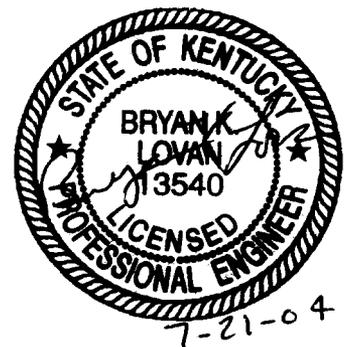
TETRA TECH, INC.

**Final Engineering Report
Martin County Water District
Water System Expansion
May 2004**

**Tetra Tech, Inc.
800 Corporate Drive
Lexington, Kentucky 40503
859.223.8000**

Submitted By:


**Bryan K. Lovan, P.E.
Project Engineer**



FINAL ENGINEERING REPORT
MARTIN COUNTY WATER DISTRICT
WATER SYSTEM EXPANSION

Introduction

The Martin County Water District has advertised Contract No. 12, 13, 14, and 15 for construction. This project involves the installation of water lines in 15 various areas of Martin County. Also included in the project is the construction of a pump station in the Meathouse area of the county, replacement of valves in various locations.

The District secured approval of the plans and specifications from the Kentucky Division of Water for Contract No. 12 in September 2003 and for Contract No. 13 in March 2004.

Bidding

The project is broken out into four contracts. Contract No. 12 is the water main extensions, Contract No. 13 is the replacement of a section of line along KY 292, Contract No. 14 is the construction of a pump station in the Meathouse area, and contract no. 15 is the replacement of valves in various locations.

Contract No. 13 was not bid and is on indefinite hold by the District due to flood damage in the area.

The bids submitted for each of the remaining contracts are listed in the table below.

Contract No. 12 – only one bid was received. Bidder was Kinder Construction Company, Inc. Their bid was \$1,054,386.21.

Contract No. 14 – originally the District received 3 bids on March 16, 2004. The District, upon recommendation from its consulting engineers rejected all three bids as they were higher than anticipated. Revisions were made to the plans and specifications and the three bidders were invited to re-submit a revised bid. Only one of the three bidders submitted a revised bid. The one bidder was Kinder Construction Company with a bid of \$67,000.00

Contract No. 15 – was bid on March 16, 2004. There were three bidders with Kinder Construction Company being the low bidder with a bid of \$79,130.00.

Tetra Tech, Inc. has recommended the awarding of contracts to the low bidders. The bid tabulations and engineer's recommendation letter is attached to this report.

Project Budget

The project budget is shown after the bidding information.

Changes in Financial Status of District and Rates for Service

There is no change proposed to the District's rates. The work proposed will add additional customers to the District which should strengthen the District's finances. The work proposed will not result in any additional debt as 100 percent grant funding is being utilized. Also, the District will be using a portion of the grant funds to do meter replacement, both residential and commercial meters. This activity should assist the District with reducing its water loss and should also increase revenue recognized.

SECTION 00300

BID FORMS

PART 1 - BIDDER'S PROPOSAL FORM

**BIDDER'S PROPOSAL
WATER SYSTEM EXPANSION
MARTIN COUNTY WATER DISTRICT
Contract No. 12 - Water Main Extensions**

Proposal of KINDER CONST CO INC (hereinafter called "BIDDER"), organized and existing under the laws of the State of KV, doing business as A CORPORATION (insert "a corporation", "a partnership", or "an individual" as applicable). To the Southern Water and Sewer District (hereinafter called "OWNER").

In compliance with the Advertisement for Bids, BIDDER hereby proposes to furnish all equipment, materials and labor for the work required to construct the Water System Expansion, Contract - 12 - Water Main Extensions, Martin County Water District, in strict accordance with the Contract Documents, within the time set forth therein, and at the price stated below.

BID SCHEDULE

ITEM NO.	APPROX. QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL BID AMOUNT
1	4,712 LF	6-inch Water Main, PVC Pipe, Class 200 (ASTM D2241) with all appurtenances and fittings.	10.48	49,381.76
2	65,033 LF	4-inch Water Main, PVC Pipe, Class 200 (ASTM D2241) with all appurtenances and fittings.	7.10	461,734.30
3	11,129 LF	4-inch Water Main, Ductile Iron Pipe, Class 350 with all appurtenances and fittings	12.90	143,564.10
4	1 EA	6-inch C.I. AWWA N.R.S. Gate Valve And Valve Box, Complete In Place.	739.28	739.28
5	36 EA	4-inch C.I. AWWA N.R.S. Gate Valve And Valve Box, Complete In Place.	424.89	15,296.04
6	165 LF	Open Cut Highway Crossing for 4-inch Water Main (NO CASING PIPE). Does not include Carrier Pipe.	36.33	5,994.45
7	390 LF	Bored Highway Crossing with Steel Casing Pipe for 4-inch Water Main. Does not include Carrier Pipe.	112.55	43,894.50
8	125 LF	Type "B" Creek Crossing	60.60	7,575.00

ITEM NO.	APPROX. QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL BID AMOUNT
9	118 EA	Customers Services Same Side of Road as Water Main.	433.83	51,191.94
10	112 EA	Customers Services Opposite Side Road as Water Main.	756.18	84,692.16
11	7 EA	Customers Services w/PRV Opposite Side Road as Water Main.	831.83	5,822.81
12	4 EA	Customers Services w/PRV Same Side Road as Water Main.	505.37	2,021.48
13	20 EA	Blowoff Assembly, Complete In Place	975.81	19,516.20
14	15 EA	Connection to Existing Water Main	1,175.67	17,635.05
15	1 EA	Big Lick Branch Booster Pumping Station, Complete In Place	63,494.15	63,494.15
16	1 EA	Cassell Branch Booster Pumping Station, Complete In Place	65,941.69	65,941.69
17	1 EA	Air Release Valves	514.81	514.81
18	1,000 LF	Additional Copper Service Tubing	3.63	3,630. ⁰⁰
19	12 EA	Reconnect Existing Customers	168.69	2,024.28
20	1 EA	Main Line Pressure Reducing Valve	9,722.21	9,722.21

TOTAL AMOUNT BID - (ITEMS 1 THROUGH 20): ONE Million Fifty Four THOUSAND THREE HUNDRED Eighty Six DOLLARS Dollars and AND TWENTY ONE CENTS (Cents) (\$ 1,054,386.21)

The above prices shall include all labor, materials, overhead, profit, insurance and other costs necessary to cover the finished work of the several kinds called for. The price per foot for pipe installation includes all labor, materials, unclassified excavation, rock blasting and removal, clean-up, etc. for a finished product. Changes in the work shall be processed in accordance with Article 60 of the General Conditions.

By submission of this Bid, the BIDDER certifies, and in the case of a joint Bid each party thereto certifies as to its own organization, that this Bid has been arrived at independently, without consultation,

BID TABULATION SHEET

**Contract No. 14 – Meathouse Branch Pump Station
Martin County Water District
Inez, Kentucky
Tuesday, March 16, 2004, 1:00 pm local time**

PLANHOLDER

BID AMOUNT

Kinder Construction Company, Inc.
68 Hickory Drive
Morehead, Kentucky 40351

\$ 104,000.⁰⁰

S J Cox Enterprises, Inc.
7350 Morehead Road
Flemingsburg, Kentucky 41041

\$ 120,000.⁰⁰

Staton's Construction
284 Moore's Ferry Road
Salt Lick, Kentucky 40371

\$ 80,000.⁰⁰

Thomas Environmental
HC 63, Box 72A
Greenup, Kentucky 41144

\$ _____

\$ _____

\$ _____

MARTIN COUNTY WATER DISTRICT

HC 69, Box 875

Inez, Kentucky 41224

Telephone: (606)298-3885

Fax: (606)298-4913

April 26, 2004

Staton's Construction Company, Inc.
284 Moore's Ferry Road
Salt Lick, Kentucky 40371

S J Cox Enterprises, Inc.
7350 Morehead Road
Flemingsburg, Kentucky 41041

Kinder Construction Company, Inc.
68 Hickory Drive
Morehead, Kentucky 40351

Re: Contract No. 14 – Meathouse Creek Road Pumping Station
Martin County Water District

Dear Contractors:

The Martin County Water District has reviewed the bids received on March 16, 2004 for the above referenced contract and has decided to reject all of the bids received. The District feels that the bids received for were higher than anticipated and therefore will be rejected.

Revisions will be made to the plans and specifications for Contract No. 14 and all bidder's for this contract will receive a letter from Tetra Tech, Inc. requesting a new bid price based on the revised plans and specifications. The schedule for re-submitting your bid will be included in the letter.

If you have questions or need any additional information please contact me at (606) 298-3885 or Mr. Bob Taylor at Tetra Tech, Inc. at (859) 223-8000.

Sincerely,

MARTIN COUNTY WATER DISTRICT



Greg Scott
Chairman

cc: Bob Taylor, Tetra Tech, Inc.

03450



TETRA TECH, INC.

June 2, 2004

Staton's Construction Company, Inc.
284 Moore's Ferry Road
Salt Lick, Kentucky 40371

S J Cox Enterprises, Inc.
7350 Morehead Road
Flemingsburg, Kentucky 41041

Kinder Construction Company, Inc.
68 Hickory Drive
Morehead, Kentucky 40351

Re: Contract No. 14 – Meathouse Creek Road Pumping Station
Martin County Water District, Martin County, Kentucky

Dear Contractors:

The Martin County Water District has rejected all of the bids received for the above referenced contract. The District has instructed Tetra Tech, Inc. to revise the specifications for a re-bid of the contract.

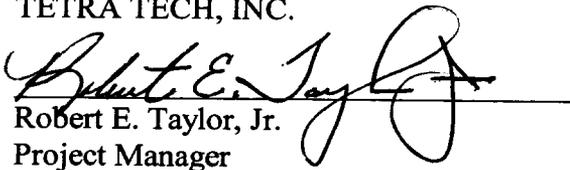
Enclosed you will find a revised specification section 00300 printed on yellow paper. Please re-submit your new bid on this form. Also enclosed are revised specification sections 15230 and 15240 which shall be used in the preparation of you new bid. All other original plans and specifications still apply to this contract.

The Martin County Water District is requesting that you submit your revised bid to Tetra Tech, Inc., Attn. Bob Taylor, Project Manager, 800 Corporate Drive, Lexington, Kentucky 40503, **by the close of business Friday, June 18, 2004**. The results of the re-bid will be made public and all bidder's will receive a bid tabulation of the results.

Thank you for your cooperation and if you have questions or need any additional information please contact me.

Sincerely,

TETRA TECH, INC.


Robert E. Taylor, Jr.
Project Manager

cc: Greg Scott, Chairman
Martin County Water District

SECTION 00300

BID FORMS

PART 1 - BIDDER'S PROPOSAL FORM

BIDDER'S PROPOSAL
MARTIN COUNTY WATER DISTRICT
WATER SYSTEM IMPROVEMENTS
Contract No. 14 - Meathouse Creek Road Pump Station

Proposal of KINDER CONST. CO INC (hereinafter called "BIDDER"), organized and existing under the laws of the State of KY, doing business as CORP. (insert "a corporation", "a partnership", or "an individual" as applicable). To the Southern Water and Sewer District (hereinafter called "OWNER").

In compliance with the Advertisement for Bids, BIDDER hereby proposes to furnish all equipment, materials and labor for the work required to construct the Water System Improvements, Contract No. 14 - Meathouse Creek Road Pump Station, Martin County Water District, in strict accordance with the Contract Documents, within the time set forth therein, and at the price stated below.

BID SCHEDULE

ITEM NO.	APPROX. QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL BID AMOUNT
1A	1 LS	Meathouse Creek Road Pump Station, ABOVE GROUND BUILT-IN-PLACE, Complete In Place		
1B	1 LS	Meathouse Creek Road Pump Station, ABOVE GROUND PACKAGED, Complete In Place	67,000.00	67,000.00

TOTAL AMOUNT BID - SIXTY SEVEN THOUSAND & NO / 100

_____ Dollars and
 _____ (Cents) (\$ _____)

The above prices shall include all labor, materials, overhead, profit, insurance and other costs necessary to cover the finished work of the several kinds called for. The price per foot for pipe installation includes all labor, materials, unclassified excavation, rock blasting and removal, clean-up, etc. for a finished product. Changes in the work shall be processed in accordance with Article 60 of the General Conditions.

By submission of this Bid, the BIDDER certifies, and in the case of a joint Bid each party thereto certifies as to its own organization, that this Bid has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this Bid, with any other BIDDER or with any competitor.

BIDDER hereby agrees to commence work under this Contract on or before a date to be specified in the Notice to Proceed and to fully complete the project within **ninety (90)** consecutive calendar days thereafter. BIDDER further agrees to pay as liquidated damages, the sum of **\$300.00** for each consecutive calendar day thereafter as provided in Article 13 of the General Conditions, Section 00700.

Accompanying this Proposal is a certified check or standard Bid Bond in the sum of _____ (Dollars) (\$ _____) in accordance with the Instructions to Bidders. The BIDDER, by submittal of this Bid, agrees with the OWNER that the amount of the bid security deposited with this Bid fairly and reasonably represents the amount of damages the OWNER will suffer due to the failure of the BIDDER to fulfill his agreements as provided in this Proposal.

BIDDER acknowledges receipt of the following Addenda:

BIDDER agrees that the OWNER reserves the right to delete the whole or any part of the Project from the Contract.

BIDDER understands that the OWNER reserves the right to reject any or all Bids and to waive any informalities in the Bidding.

BIDDER agrees that this Bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the actual date of bid opening.

BIDDER agrees to perform all of the Work described in the Specifications and shown on the Plans for the amount stated above. Within ten (10) calendar days after receiving written notice of the acceptance of this Bid by the OWNER, the BIDDER will execute and deliver to the OWNER ten (10) copies of the Agreement and such other required Contract Documents.

BIDDER: KINDER Const. Co. Inc.
By [Signature]
Title Pres
Address 68 Hickory Dr.
Morehead KY 40351
Date Signed 6-18-04

(Seal - If bid is by a corporation)

- END OF SECTION -



TETRA TECH, INC.

June 21, 2004

Mr. Greg Scott, Chairman
Martin County Water District
HC 69, Box 875
Inez, Kentucky 41224

Re: Recommendation of Award of Contract
Contract No. 14- Meathouse Creek Road Pumping Station
Martin County Water District
Tt Project No. 03450

Dear Greg:

We have reviewed all of the re-bids received on June 18, 2004 by the Martin County Water District for the above referenced project. Originally three contractors bid on the project. Of the three original bidders only one submitted a re-bid.

The bid received was as follows:

Kinder Construction Co. Inc.	\$67,000.00
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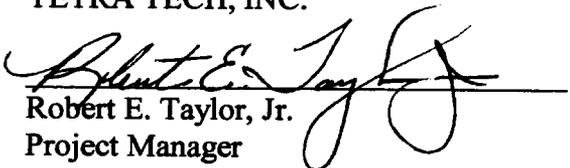
Based on the bid received, Kinder Construction Co., Inc. is the low bidder for the contract for \$67,000.00. We have reviewed all of the documentation related to the advertisement and the bid and have found it to be acceptable. We have checked references for Kinder Construction and have worked with them on many projects and they are qualified to successfully complete the contract.

We would recommend awarding Contract No. 14 – Meathouse Creek Road Pumping Station, to Kinder Construction Co. Inc. in the amount of \$67,000.00.

We will be scheduling the contract signing and pre-construction conference once we have received release of funds for this work from the funding agency. If you have questions or need any additional information please contact me.

Sincerely,

TETRA TECH, INC.


Robert E. Taylor, Jr.
Project Manager

cc: Kelly Callaham, Judge/Executive
Libby Ratcliff, BSADD
Denver Kinder, Kinder Const.

SECTION 00300

BID FORMS

PART 1 - BIDDER'S PROPOSAL FORM

BIDDER'S PROPOSAL
MARTIN COUNTY WATER DISTRICT
WATER SYSTEM IMPROVEMENTS

Contract No. 15
Repair and/or Replacement of
Pressure Reducing Valves,
Control Valves,
Gate Valves

Proposal of KINDEN CONST CO (hereinafter called "BIDDER"), organized and existing under the laws of the State of Ky, doing business as A CORPORATION (insert "a corporation", "a partnership", or "an individual" as applicable). To the Southern Water and Sewer District (hereinafter called "OWNER").

In compliance with the Advertisement for Bids, BIDDER hereby proposes to furnish all equipment, materials and labor for the work required to construct the Water System Improvements, Contract - 15 - Repair and/or Replacement of Pressure Reducing Valves, Control Valves, Gate Valves, for the Martin County Water District, in strict accordance with the Contract Documents, within the time set forth therein, and at the price stated below.

BID SCHEDULE

ITEM NO.	APPROX. QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL BID AMOUNT
1	1 EA	1 New Pressure Reducing Valve (PRV) and 1 New Altitude Control Valve (ACV) - Located East of the Abandoned KY 40 Pump Station Including All Fittings and Appurtenances	14,000.00	14,000.00
2	1 EA	1 New 6" Turbine Meter, Replacement of Existing Metal Hatch, in Existing Meter Vault near the Intersection of KY 40 and KY 2032 Including All Fittings and Appurtenances	9,000.00	9,000.00
3	1 EA	1 New Altitude Control Valve (ACV) and Vault Near Existing Master Meter Vault Location to be Field Located By Engineer and District Personal in Lovely Area Including All Fittings and Appurtenances	10,000.00	10,000.00

BIDDER further agrees to pay as liquidated damages, the sum of \$300.00 for each consecutive calendar day thereafter as provided in Article 13 of the General Conditions, Section 00700.

Accompanying this Proposal is a certified check or standard Bid Bond in the sum of _____ (Dollars) (\$ _____) in accordance with the Instructions to Bidders. The BIDDER, by submittal of this Bid, agrees with the OWNER that the amount of the bid security deposited with this Bid fairly and reasonably represents the amount of damages the OWNER will suffer due to the failure of the BIDDER to fulfill his agreements as provided in this Proposal.

BIDDER acknowledges receipt of the following Addenda:

1

BIDDER agrees that the OWNER reserves the right to delete the whole or any part of the Project from the Contract.

BIDDER understands that the OWNER reserves the right to reject any or all Bids and to waive any informalities in the Bidding.

BIDDER agrees that this Bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the actual date of bid opening.

BIDDER agrees to perform all of the Work described in the Specifications and shown on the Plans for the amount stated above. Within ten (10) calendar days after receiving written notice of the acceptance of this Bid by the OWNER, the BIDDER will execute and deliver to the OWNER ten (10) copies of the Agreement and such other required Contract Documents.

BIDDER:

KINDER CONST CO INC

By DENNIS KINDER

Title PRESIDENT

Address 68 HUCKOBY DR

MOREHEAD, KY 40351

Date Signed 3/16/04

(Seal - If bid is by a corporation)

- END OF SECTION -

BID TABULA

Martin County Water District

CONTRACT 13-14-15

3/17/2004

Contract 13

Item No.	Description	Unit Cost	Average Bid Amount
		17.76	\$ 8,436.00
1	8-inch Water Main, PVC, Class 200	11.66	\$ 137,005.00
2	4-inch Water Main, PVC, Class 200	660.00	\$ 5,660.00
3	Replacement Of Valves at Wolf Creek Tank	647.00	\$ 3,235.00
4	8-inch Gate Valve and Box	428.00	\$ 2,140.00
5	4-inch Gate Valve and Box	84.00	\$ 4,200.00
6	Bored Hwy Crossing w/Steel Casing 4" V Main	77.40	\$ 1,935.00
7	Type "B" Creek Crossing	433.00	\$ 4,330.00
8	Reconnect Customers Same Side of Road	734.00	\$ 11,010.00
9	Reconnect Customers Same Side of Road	113.00	\$ 3,039.00
10	Blowoff Assewmbly	45.00	\$ 6,270.00
11	Connection to Existing 8-inch Water Main		
			\$ 187,260.00
TOTAL BID CA			

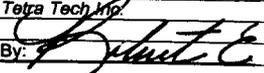
Contract 14

Item No.	Description	Unit Cost	Average Bid Amount
1	Meathouse Creek Pump Station		
TOTAL BID C			

Contract 15

Item No.	Description	Unit Cost	Average Bid Amount
1	1 New Pressure Reducing Valve (PRV) Altitude Control Valve (ACV) - Local the Abandoned KY 40 Pump Station		
2	1 New 8" Turbine Meter, Replacement Metal Hatch, in Existing Meter Vault Intersection of KY 40 and KY 2032		
3	1 New Altitude Control Valve (ACV) Near Existing Master Meter Vault		
4	New Altitude Control Valve (ACV) & Reducing Valve (PRV) - Located Near Wolf Creek Tank at Pigeon R		
5	Replacement of the PRV in Existing Pigeon Roost School Area		
6	1 New Pressure Reducing Valve (PRV) Turkey Creek Area I		
7	Replacement of 3 Gate Valves 1" Altitude Control Valve (ACV) in Turkey Hill Tank's Valve Vault Behind the Center		
8	Connection to Existing Water Main		
TOTAL			

The above is a true and complete bid. I certify that this is true and accurate.

Tetra Tech, Inc.
 By: 
 Robert E. Taylor, Jr., Project Manager

**Martin County Water District
Water Line Extensions and System Improvements**

<u>Activity</u>	<u>Cost</u>
Construction	
Contract No. 12	\$ 1,054,386.21
Contract No. 14	\$ 67,000.00
Contract No. 15	\$ 79,130.00
Meter Replacements ¹	\$ 248,382.79
Contingency	\$ 69,274.00
Engineering Design & Inspection	\$ 248,900.00
BSADD - Administration	<u>\$ 25,800.00</u>
TOTAL:	\$ 1,792,873.00
REVENUE	
502 Funds	\$ 289,550.00
Coal Development Funds	<u>\$ 1,503,323.00</u>
	\$ 1,792,873.00

¹ Meter Replacement being done by District Personnel



03005

HENRY C. LIST
SECRETARY



PAUL E. PATTON
GOVERNOR

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

FRANKFORT OFFICE PARK
14 REILLY RD
FRANKFORT KY 40601
September 4, 2003

RECEIVED

SEP 12 2003

Mr. Greg Scott, Chairman
Martin County Water District
HC 69 Box 875
Inez, KY 41224

Tetra Tech, Inc.

RE: DW # 0800273-03-001
Contract #12
Martin Co., Kentucky

Dear Mr. Scott:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of 4,712 feet of 6-inch PVC, 65,035 feet of 4-inch PVC, 11,129 feet of 4-inch DI waterline along with 3 pneumatic booster stations. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the following stipulations:

1. Based on the hydraulic analysis/data submitted, the areas served by the following extensions are considered to be underserved: **areas served by the Big Lick, Cassell and Meathouse pneumatic booster stations plus Horse Pen Branch Road.** This designation indicates that without improvements to the existing infrastructure, future extensions may not be able to provide the required minimum pressure of 30 pounds per square inch (psi) on the discharge side of customers' meters. Without improvements to the infrastructure, future extensions may be denied. The underserved designation may be used to help prioritize areas under the Governor's 2020 plan for funding future infrastructure improvements.
2. This approval is contingent upon Martin County Water District's (MCWD) full compliance with an agreed order (DOW 02058) executed on June 3, 2003. A copy of the agreed order is attached.
3. The DOW's records show that the MCWD water treatment plant has a design capacity of 2.0 million gallons per day (MGD) and an average daily production of 1.77 MGD (which is equivalent to 89% of design capacity), based on MCWD's records for the last twelve (12) months ending July, 2003. Exceeding 85% of design capacity triggers an inevitable enforcement action that may result in a waterline extension sanction. To avoid the enforcement action, MCWD shall operate its system to the extent that 85% of design capacity is not exceeded.



The current project proposes to add 212 new customers and increase water demand by at least 53,000 gpd (212 customers X 250 gallons/customer). Adding 53,000 gpd to the average daily production of 1,771,000 gpd equals 1,824,000 gpd, which is equivalent to approximately 91.2% of 2.0 mgd. Based on monthly records, MCWD has exceeded 85% since April, 2003.

To avoid enforcement action, MCWD has the following options:

- a. Identify & repair leaks within the distribution system.
- b. Secure other finished water sources to keep the treatment plant below 85% capacity. Kermit connection has supplied up to 3.5 MG per month.
- c. A combination of alternatives (a) and (b) above.

MCWD shall demonstrate that the treatment plant operates at or below 85% of design capacity, before beginning installation of distribution lines associated to the current project (DW# 0800273-03-001). MCWD shall submit plans and specifications for any necessary water distribution lines that were not reviewed and approved by the DOW.

4. MCWD shall monitor and record the flow rate of finished water from the "outside water sources". If the existing potable water distribution system fails to deliver sufficient water to meet the projected needs, MCWD shall notify the Distribution Section of the Drinking Water Branch within twenty-four (24) hours from the time of the occurrence. Furthermore, to correct the problem and prevent its recurrence, MCWD shall submit a corrective action plan for review and approval. Failure to submit a corrective action plan within ten (10) business days from the date of occurrence may result in an enforcement action.
5. If PVC piping is used, it must be NSF approved and manufactured in accordance with ASTM standards.
6. Upon completion of construction, disinfection shall be strictly in accordance with the procedure designated in the State Regulations, which reads as follows:

"A water distribution system, including storage distribution tanks, repaired portions of existing systems or all extensions to existing systems, shall be thoroughly disinfected before being placed into service. A water distribution system shall disinfect with chlorine or chlorine compounds, in amounts as to produce a concentration of at least fifty (50) ppm and a residual of at least twenty-five (25) ppm at the end of twenty-four (24) hours and the disinfection shall be followed by a thorough flushing."

New or repaired water distribution lines shall not be placed into service until bacteriological samples taken at the points specified in 401 KAR 8:150, Section 4 (2) are examined and are shown to be negative following disinfection.

7. Chlorinated water resulting from disinfection of treatment facilities and new, repaired, or extended distribution systems shall be disposed in a manner which will not violate 401 KAR 5:031.
8. At high points in water mains where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where flooding of the manhole or chamber may occur.
9. All dead end lines must be provided with a properly sized blow-off assembly, flush hydrant or fire hydrant for flushing purposes. Flushing devices should be sized to provide flows which will give a velocity of at least 2.5 feet per second in the water main being flushed. Fire hydrants shall not be installed on lines less than six inches in diameter or served by other lines less than six inches in diameter. No flushing device shall be directly connected to any sewer.
10. The minimum size of water main for providing fire protection and serving fire hydrants shall be six-inch in diameter. Larger size mains will be required, if necessary, to allow the withdrawal of the required fire flow while maintaining the minimum residual pressure. Fire hydrants shall not be installed on lines less than six inches in diameter or served by other lines less than six inches in diameter. Appropriately sized flushing devices or blow-offs shall be installed instead.
11. For underwater crossings greater than 15 feet in width the following shall be provided:
 - a. The pipe shall be of special construction, having flexible water tight joints, except if concrete encased;
 - b. Valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair; the valves shall be easily accessible, and not subject to flooding; and the valve closest to the supply source shall be in a manhole; and,
 - c. Permanent taps shall be made on each side of the valve within the manhole to allow insertion of a small meter to determine leakage and for sampling purposes.
12. Hydropneumatic (pressure) tanks, when provided as the only storage facility, are acceptable only in very small water systems. When servicing more than 50 living units, ground or elevated storage shall be provided. Pressure tank storage systems shall not be considered as providing fire protection.

13. When this project is completed, the owner shall submit a written certification to the DOW that the above referenced water supply facilities have been constructed and tested in accordance with the approved plans and specifications and the above stipulations. A licensed professional engineer shall sign such certification.

Since the requirements of Administrative Regulations 401 KAR 4:050, Section 2 are met with regard to subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250 for this aspect of the project. Please note the reference to subfluvial pipeline crossings in the enclosed copy of the regulations.

If this waterline project will cross a stream or wetland, the attached Water Quality Certification will apply. Please read this certification and make it a part of any contract to install the waterlines. If you have any questions please contact John Dovak, of the Water Quality Branch at 502/564-2225, extension 485.

This approval has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this approval does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies.

Unless construction of this project commences within one year from the date of approval, Martin County Water District shall request an official extension from the Division of Water prior to the first anniversary of this approval letter, or re-submit the original plans and specifications for a new comprehensive review. If you have any questions concerning this project, please contact Scott Thomson at (502) 564-2225, extension 549.

Sincerely,

for 
Donna S. Marlin, Manager
Drinking Water Branch
Division of Water

DSM:JST

Enclosures

C: Tetra Tech, Inc.
Martin County Health Department
Public Service Commission
Division of Plumbing
KPDES Branch
Water Resources
Water Quality
Hazard Regional Office
Drinking Water Files
Martin Co. Judge Executive, Kelly Callahan



PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING & NEW USERS

Year Ending 2005

A.	Operating Income:	
	Water Sales	\$ 997,398
	Disconnect/Reconnect/Late Charge Fees	\$ 3,440
	Other (Describe)	
	Less Allowances and Deductions	
	Total Operating Income	<u>\$1,000,838</u>
B.	Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
	Source of Supply Expense	\$20,000
	Pumping Expense	\$14,500
	Water Treatment Expense	\$199,500
	Transmission and Distribution Expense	\$313,000
	Customer Accounts Expense	\$65,000
	Administrative and General Expense	\$145,000
	Total Operating Expenses	<u>\$757,000</u>
	Net Operating Income	<u>\$243,838</u>
C.	Non-Operating Income:	
	Interest on Deposits	\$16,800
	Other (Identify)	
	Total Non-Operating Income	\$16,800
D.	Net Income	<u>\$260,638</u>
E.	Debt Repayment:	
	Rural Development Principal & Interest	\$63,950
	Non-RD Interest	\$ 95,000
	Non-RD Principal	\$ 22,000
	Total Debt Repayment	<u>\$180,950</u>
F.	Balance Available for Coverage and Depreciation	<u>\$79,688</u>